



Billing Code: 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB-2011-0043]

Submission for OMB Review; Comment Request

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for public comment.

SUMMARY: The Bureau of Consumer Financial Protection (CFPB), as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on a proposed information collection, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. The CFPB is soliciting comments on an information collection request that will be submitted to the Office of Management and Budget (OMB) for review and clearance on or after the date of publication of this notice. A copy of the submission may be obtained by contacting the agency contacts listed below.

DATES: Written comments are encouraged and must be received on or before **[INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]** to be assured of consideration.

COMMENTS: You may submit comments, identified by Docket No. CFPB–2011–0043, by any of the following methods:

- Electronic: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail: Mitchell E. Hochberg or Jane Gao, Office of Regulations, Consumer Financial Protection Bureau, 1500 Pennsylvania Avenue, NW (Attn: 1801 L Street), Washington, DC 20220, with a copy to Shagufta Ahmed, Office of Management and Budget, New

Executive Office Building, Room 10235, Washington, DC 20503.

- Hand Delivery/Courier: Mitchell E. Hochberg or Jane Gao, Office of Regulations, Consumer Financial Protection Bureau, 1700 G Street, NW, Washington, DC 20006, with a copy to Shagufta Ahmed, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503.

FOR FURTHER INFORMATION: Requests for additional information should be directed to the agency contacts listed below.

SUPPLEMENTARY INFORMATION:

OMB Number: 3170-XXXX

Type of Review: Emergency Clearance Request

Title: Qualitative Testing of Mortgage Servicing Related Model Forms and Disclosures

Description: The Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203, Title XIV (the “Dodd-Frank Act”), requires CFPB to publish, in final form, certain mortgage servicing rules by January 21, 2013. These rules implement Sections 1418 (Reset of Hybrid Adjustable Rate Mortgages), 1420 (Periodic Mortgage Loan Statements) and 1463 (Force-Placed Insurance Disclosures) of the Dodd-Frank Act. The CFPB has determined that model forms and disclosures are required for these rules.

The CFPB will collect data, including through one-on-one cognitive think-aloud interviews, to inform its design, development and implementation of the required forms. The CFPB will use an iterative process to improve any drafts to make it easier for a consumer to use the documents and understand the information presented in the documents with respect the consumer’s mortgage loan.

The data collection will include:

- Consent forms that will be used to obtain the consent of participants for the cognitive interview process;
- Participant questionnaires to obtain demographic information about the participants; and
- Interview protocols for conducting the interviews.

The core objective of the data collection is to help refine specific features of the content and design of the forms to maximize communication effectiveness while minimizing compliance burden. The CFPB will evaluate one or more draft forms through iterative qualitative testing with consumers, including observation of consumers' usage of the disclosures, their understanding of the contents, and the choices they make.

The qualitative testing is focused on the purposes of the disclosures. These purposes include, among other things:

- With respect to mortgage loan periodic statements, improving consumer understanding by better disclosing information regarding the consumer's mortgage loan;
- With respect to disclosures concerning interest rate adjustments for hybrid adjustable rate mortgages, informing consumers of pending interest rate adjustments, enabling a consumer to consider alternative options with respect to the consumer's mortgage loan, and providing information to a consumer to facilitate pursuing such alternative options; and
- With respect to force-placed insurance disclosures, reminding a consumer of the obligation to maintain hazard insurance on the property securing a mortgage; informing the consumer that the servicer does not have evidence of hazard insurance coverage, informing the consumer of the manner in which the consumer may demonstrate to a mortgage servicer that the consumer has obtained hazard insurance coverage, and

informing the consumer that if the consumer fails to obtain hazard insurance coverage, the lender may obtain such coverage at the consumer's expense.

The CFPB plans to test at three sites in three rounds to allow for improvement to the forms between rounds. Below is an estimate of the aggregate burden hours for the three rounds of testing.

<u>Process:</u>	<u>Number of Respondents</u>	<u>Average burden per response</u>	<u>Total burden hours</u>
Cognitive Think-Aloud Interviews	36	60 minutes	36
Screening	360	6 minutes	36
Travel time to sites	36	60 minutes	36
TOTAL			108 hours

Request for Comments: Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. All comments will become a matter of public record.

Agency Contact: Mitchell E. Hochberg or Jane Gao, Office of Regulations, Bureau of Consumer Financial Protection, 1700 G Street, N.W., Washington, D.C. 20006; (202) 435-7700.

OMB Reviewer: Shagufta Ahmed, Office of Management and Budget, New Executive Office Building, Room 10235, Washington, DC 20503; (202) 395-7873.

Dated: December 9, 2011

Robert Dahl,

PRA Clearance Officer, Department of the Treasury

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